

WOW REPORT
John Rush, Councilman
December 2,2009

On October 13, 2009 City Council met with representative of Wonders of Wildlife (WOW) board of directors. Following that meeting the Mayor asked me to serve as liaison to the board. This report is in response to that request.

Background. The two major concerns discussed at the joint meeting were fiscal accountability and the reopening of the museum. At this meeting Council requested the audit for years ended December 31, 2008 and 2007, 990 IRS form, and the most recent financial report. That information was provided within a matter of hours. This response was typical of request made by Council.

Chronology Summary.

- October 13, 2009-meeting with Council and WOW board
- October 26, 2009--Peggy Smith,CFO Acting Executive Director, Greg Burris and I meet to determine issues to be addressed.
- October 26, 2009--Smith gives museum tour to Rush.
- November 2, 2009-Burris sends draft of issues to Rush and Smith.
- November 3, 2009--Smith confirms issues as presented.
- November 3, 2009--Rush formally invited to WOW board meeting
- November 9, 2009--Burris sends Issues Memo, agreement and report form to Finance and Administration Committee.
- November 10, 2009--Smith, Honea, Rush meet to review the audit and financial information.
- November 12, 2009--Whiting-Turner meet with contractors and suppliers regarding construction on WOW.
- November 13, 2009--Mayor addresses WOW board of Directors and Rush attends morning session.

Definition of terms.

Museum District Board. The official name of the Museum District is "American National Fish and Wildlife Museum District." The name most used to refer to the board is the "District Board." This is the corporation that has the assets. The Governor appoints some of the members to this board and these appointments are currently in process.

WOW. Refers to the American National Fish and Wildlife Museum (most often referred to as the "Museum" (i.e. audit) or as WOW. This board is referred to as the WOW board of directors.

Wonders of Wildlife Foundation was a non-profit entity which was merged with WOW at the last meeting of the board of directors.

Advisory Council. This Council includes John Morris and John Moore.

Findings and Recommendations.

- **Use of Motel/Hotel funds.** The agreement between the City and the District (March 23, 1999) states " ...funds from the motel/hotel tax (may) be actively engaged in the planning, design, construction, or operation of the Museum during the term of this agreement."

Therefore, it seems clear that the District has used funds within the terms of the agreement.

- **Financial Reporting.** There is no record of information having been requested by the City which was not promptly provided by WOW. The audit, 990, financial reports were provided immediately upon request. It was not easy to identify tax dollars in the financial report and at our request both sources , Museum tax and Hotel/Motel tax, will be reflected in the quarterly report. It has been requested and agreed that the quarterly financial report will be provided to the city. This is the same report provided to the board.

Therefore, rather than utilizing another reporting form, it is recommended that quarterly report to the board serve as the report from WOW to the City .

- **Museum reopening.** This issue was addressed by the WOW board at the October 13, 2009 meeting and at that time the opening date was given as December 2010. At the WOW board meeting on November 13, 2009 the

same date was confirmed. This is an aggressive schedule and even when it was suggested by me that another date would be possible, the date remained firm. Privately and publicly this is the promised date. What supports this assumption is evidence that planning has gone on to redesign the museum. Much of what the public saw in the museum has been removed and drawings, models and placement are present in the current structure. Also, on November 12, 2009 Whiting-Turner Contracting Company did meet with local contractors and suppliers to begin the process.

Therefore, while not a promise it seems clear that WOW expects to open in December 2010 and the construction team seems to be moving in that direction. On this type of project it would be difficult to obtain a meaningful construction schedule but Peggy Smith has agreed to provide quarterly updates on how the project is progressing. It is my recommendation that this be the manner of determining progress.

- **Bass Pro connection.** It is my opinion that the success of the museum will be in large part to the commitment of Bass Pro. Financial commitment, in-kind commitment, and marketing commitment will play a large part in the success of the museum. It has been estimated that 4,000,000 people visit Bass Pro each year. It is reasonable to expect that many of them will be routed to the museum. This leverage is considered by the board to be significant to the success of the museum. Obviously, visitors to the museum will move naturally to Bass Pro but it seems more logical to expect the advantage is to the museum.

Summary.

The tax payer should expect to have fiscal accountability and WOW has agreed to provide that information and has done so promptly in the past. WOW has agreed to provide future accountability as described above. It should be recognized that WOW does intend to pursue the opening of the museum and has aggressively moved in that direction with the opening date set for December 2010. As to the exact elements of the museum the WOW boards intent to develop a unique project. This is a competitive market and the uniqueness of the enterprise should be respected and protected. Curiosity and expectation is one of the elements that will make the museum's grand reopening even more meaningful. The museum has yet to

meet its great potential. The WOW board seems to be committed to the task. The city and the community need to join this effort and stand ready to make that potential come to fruition.